



BRIEFING: JUNE 3, 2014, BOARD MEETING AGENDA ITEM #6

TO: Chairman Richard and Board Members

FROM: Don Grebe, Director of Real Property

DATE: June 3, 2014

RE: Release of a Request for Proposals for Right-of-Way Services for the Initial Construction Section

Background

Staff seeks the Board's approval for the issuance of a Request for Proposals (RFP) to procure Right-of-Way Services pursuant to the Board's policy on issuance of RFPs. The Board previously approved the procurement of these services (Resolutions HSR #11-20 and HSR #11-21) to initiate the Right-of-Way acquisition process for Construction Packages One, Two, and Three for which four contracts were issued.

The California High-Speed Rail System's (System) First Construction Segment (FCS) is the first phase of the System and provides the track and structures to support the System's spine. The FCS will be approximately 130 miles and extend through the counties of Madera, Fresno, Tulare, Kings and Kern. To enable the construction of System infrastructure, land or blended service agreements are required along the entire alignment.

To support the Authority's ability to acquire right-of-way, it is necessary to obtain the personnel and expertise of Right-of-Way Services consultants to perform crucial work, including appraisals, negotiations, relocation assistance and support of condemnation proceedings when necessary. Multiple contracts will be required to complete the work needed to achieve these goals.

There are four primary factors causing this request for re-procurement. First is the extension of the scope, subject to environmental approvals, to the north of the First Construction Segment in the Central Valley. The extension north will include the alignment to Merced from Construction Package 1 (CP1) and through the "Wye" configuration as the rail alignment heads west to the bay area.

Second, the Right-of-Way process was impacted by reconfigured environmental schedules and time taken to secure funding approvals. Appraisals (the first stage in the acquisition process) were synchronized with the originally scheduled environmental approvals and funding milestones. This, combined with the effects of a rebounding economy, caused the shelf-life of

the appraisals to expire and substantial appraisal “rework” had to be completed, which was not contemplated in the original procurement.

Thirdly, legal matters such as Merced/Madera County Farm Interests Settlement, slowed the right of way process down and required rework. The Settlement necessitated design refinements that had to be completed before the start of the appraisal and acquisition process. Other lawsuits have impacted property owner decision-making, often prolonging the acquisition process.

Finally, the right of way processes are subject to external agency review and approvals that were previously untested in an acquisition program of this magnitude. The Authority and partnering agencies have been required to establish and refine roles and responsibilities as well as protocols for communication and decision making, which has taken extra time and effort not previously anticipated.

As a result of these factors, these contracts are reaching contract capacity and are not fit for purpose for the extended scope north of the First Construction Segment. This RFP will give the Authority continued and ongoing access to these critically necessary services and incentivize the delivery of right-of-way to the Design-Builders by more certain deadlines. This RFP includes the Board-adopted 30 percent participation goal under the Revised Small and Disadvantaged Business Enterprise Program for Professional Services Contracts.

Discussion

Staff now seeks Board approval to issue a RFP aimed at procuring multiple contracts for Right-of-Way Services. The total value of the services required is not-to-exceed \$35,000,000, and the contract term will be four years. This RFP is consistent with the cost projections contained in the 2014 Business Plan and does not represent any growth in costs associated with delivery of the FCS. These services will be required from Merced, through the Wye segment and through the FCS.

The scope of the Right-of-Way Services to be procured includes:

- Administration and Project Management
- Appraisals
- Phase I and Phase II Environmental Site Assessments (ESA)
- Land Rights and Real Property Acquisition
- Relocation Assistance
- Other Real Property Services
- Quality and Safety Management

A more extensive statement of the proposed scope of services is included in the draft RFP provided to the Board. The actual services the consultants will provide will be based on contract work orders.

Authority staff will manage the RFP for Right-of-Way Services consistent with the Board’s policies and the State of California’s competitive public procurement process and applicable

codes. Proposals will be technically evaluated by Authority and other public employees pursuant to established criteria based on:

- Past Performance and Experience;
- Team Organization and Key Personnel;
- Understanding of Project Elements and Requirements;
- Small Business Participation; and
- Price Proposal.

This will be followed by oral discussions, final ranking of teams submitting Proposals, negotiation with the top ranked teams, and award of contracts by this Board. The resulting contracts for Right-of-Way Services will also include the Board-adopted 30 percent participation goal under the Revised Small and Disadvantaged Business Enterprise Program for Professional Services Contracts.

Steps being implemented in this RFP to enhance performance in this re-procurement include a number of factors.

The new contracts will be lump sum, fixed price to better incentivize the delivery of right-of-way and quality of product from the contractors. Current time and material contracts are determined to be sub-optimal for the scale of the land acquisition program and the aggressive schedules that the Authority is pursuing.

In parallel, the Authority will continue to work with its partnering agencies in implementing process improvements. In addition to current initiatives, waiver valuations, and draft purchase orders are being evaluated to establish schedule improvements and potential cost savings for lower value acquisitions. The Authority will continue to move towards the Caltrans right-of-way delivery model to achieve efficiencies in its review and approval process.

Recommendation

It is recommended that the Board adopt a Resolution approving issuance of a Request for Proposals to procure multiple contracts for Right-of-Way Services not to exceed the total amount of \$35,000,000 over a term of four years.

Attachments

- Draft Request for Proposals for Right-of-Way Services
- Draft Resolution HSR #14-16